



**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF VERMONT**

In re:

Roman Catholic Diocese of Burlington,
Vermont,

Case No.: 24-10205-HZC
Chapter 11 Case

Debtor.

**ORDER AUTHORIZING THE DEBTOR TO PAY CERTAIN ACCRUED
AND OUTSTANDING PENSION, BENEFITS, AND RELATED AMOUNTS
FOR RETIRED PRIESTS IN THE ORDINARY COURSE**

This matter came before the Court on the Emergency Motion for an Order (I) Authorizing the Debtor to Pay Accrued and Outstanding Prepetition Employee Compensation, Benefits, and Related Amounts and (II) Authorizing the Debtor to Maintain Existing Payroll Services (doc. # 8) (the “Motion”) filed by Debtor on September 30, 2024. The Court granted interim relief on the Motion (docs. ## 70, 126, 181) and subsequently bifurcated the Motion at the request of Debtor and the Official Committee of Unsecured Creditors (the “Committee”) to specifically reserve a final determination on payment of pension, benefits, and related amounts for certain retired priests in the ordinary course (doc. # 126). After additional hearings and briefing, Debtor and the Committee continued to disagree as to whether certain benefits and related amounts paid to credibly accused priests should be allowed. The Court extended the interim order and scheduled a hearing for May 13, 2025 to address the disagreement (doc. # 181).

The Court held the hearing on May 13, 2025 at which all parties appeared but no resolution was reached. What remains central to the disagreement is whether the pension funds at issue constitute property of the bankruptcy estate. At the May 13, 2025 hearing, Debtor and the Committee proposed to resolve the outstanding issue through an adversary proceeding seeking

declaratory judgment. The Court **FINDS** that an adversary proceeding is necessary to determine Debtor's interest in the pension funds pursuant to Federal Rule of Bankruptcy Procedure 7001, and it is appropriate to allow Debtor to continue to pay certain accrued and outstanding pension, benefits, and related amounts for retired priests, including but not limited to, those who have been credibly accused, pending an ultimate determination of the extent of Debtor's interest in the pension funds through an adversary proceeding. Based upon the foregoing, it is **HEREBY ORDERED** that:

1. The Motion is **GRANTED**.
2. Debtor is authorized to continue administering the Benefits Plans, as described and defined in the Motion, in the ordinary course of business; (b) continue making all payments on account of such benefits; (c) continue to pay any claims and administrative fees related thereto; and (d) pay any and all such amounts to the extent they remain unpaid on the Petition Date subject to the limit set forth in 11 U.S.C. § 507(a)(4), for any retired priests.
3. Debtor shall maintain accurate records of all transfers and transactions relating to the Benefits Plans so that all postpetition transfers and transactions shall be adequately and promptly documented in its books and records, to the same extent by Debtor before the Petition Date.
4. The Banks are authorized to accept and honor all representations from Debtor regarding which checks, drafts, wires or ACH transfers should be honored or dishonored consistent with any order of this Court, whether such checks, drafts, wires or ACH transfers are dated prior to, on, or subsequent to the Petition Date; provided, however, that to the extent Debtor directs the Banks to dishonor any disbursements or the Banks inadvertently dishonor any disbursements, Debtor may issue replacement disbursements consistent with the orders of this Court. The Banks

shall not be liable to any party on account of: (a) following Debtor's instructions or representations as to any order of this Court; (b) honoring any prepetition check or item in a good faith belief that this Court has authorized such prepetition check or item to be honored; or (c) an innocent mistake made despite implementation of reasonable item-handling procedures.

5. Debtor is hereby authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this Order.

6. The requirements of Bankruptcy Rule 6004(a) and (h) are waived; this Order shall be immediately effective and enforceable upon its entry.

7. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation and interpretation of this order.

May 15, 2025
Burlington, Vermont



Heather Z. Cooper
United States Bankruptcy Judge

In re:
Roman Catholic Diocese of Burlington, Ve
Debtor

Case No. 24-10205-hzc
Chapter 11

CERTIFICATE OF NOTICE

District/off: 0210-2
Date Rcvd: May 15, 2025

User: admin
Form ID: pdf710

Page 1 of 2
Total Noticed: 5

The following symbols are used throughout this certificate:

Symbol	Definition
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on May 17, 2025:

Recip ID	Recipient Name and Address
db	+ Roman Catholic Diocese of Burlington, Vermont, 55 Joy Drive, South Burlington, VT 05403-6999
aty	Gail S. Greenwood, Pachulski Sang Ziehl & Jones LLP, One Sansome Street, 34th Floor, San Francisco, CA 94104-4436
aty	+ James I. Stang, Pachulski Stang Ziehl & Jones LLP, 10100 Santa Monica Boulevard, 13th Floor, Los Angeles, CA 90067-4003
aty	+ Obuchowski Law Office, PO Box 60, Bethel, VT 05032-0060

TOTAL: 4

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI). Electronic transmission is in Eastern Standard Time.

Recip ID	Notice Type: Email Address	Date/Time	Recipient Name and Address
cr	+ Email/Text: bankruptcy@td.com	May 15 2025 19:39:00	TD Bank, N.A., 70 Gray Road, Falmouth, ME 04105

TOTAL: 1

BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, *duplicate of an address listed above, *P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

Recip ID	Bypass Reason	Name and Address
ccrm		Local Counsel to the Official Committee of Unsecur, c/o Paul A. Levine, Esq., Lemery Greisler LLC

TOTAL: 1 Undeliverable, 0 Duplicate, 0 Out of date forwarding address

NOTICE CERTIFICATION

I, Gustava Winters, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: May 17, 2025 Signature: /s/Gustava Winters

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on May 15, 2025 at the address(es) listed below:

Name	Email Address
Andre Denis Bouffard	on behalf of Interested Party Vermont Catholic Community Foundation Inc. abouffard@drm.com, mbottino@drm.com

District/off: 0210-2

User: admin

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Date Rcvd: May 15, 2025

Form ID: pdf710

Total Noticed: 5

Antonin Robbason	on behalf of Creditor TD Bank N.A. aizr@rsclaw.com, ccs@rsclaw.com;lcw@rsclaw.com;sem@rsclaw.com
Brittany Mitchell Michael	on behalf of Financial Advisor Berkeley Research Group LLC bmichael@pszjlaw.com
Brittany Mitchell Michael	on behalf of Creditor Committee Committee of Unsecured Creditors bmichael@pszjlaw.com
Celeste E. Laramie	on behalf of Creditor Survivor Creditors clarame@gravelshea.com
Elizabeth A. Glynn	on behalf of Creditor TD Bank N.A. eag@rsclaw.com, ccs@rsclaw.com
Jeremy R. Fischer	on behalf of Interested Party Rice Memorial High School jfischer@dwmlaw.com mveilleux@dwmlaw.com
Jim Baillie	on behalf of Debtor Roman Catholic Diocese of Burlington Vermont jbaillie@fredlaw.com
Katherine Nixon	on behalf of Debtor Roman Catholic Diocese of Burlington Vermont knixon@fredlaw.com, sstallings@fredlaw.com;docketing@fredlaw.com
Lisa M Penpraze	on behalf of U.S. Trustee U S Trustee lisa.penpraze@usdoj.gov
Paul A Levine	on behalf of Creditor Committee Committee of Unsecured Creditors plevine@lemerygreisler.com phartl@lemerygreisler.com
Paul A Levine	on behalf of Creditor Committee Local Counsel to the Official Committee of Unsecured Creditors plevine@lemerygreisler.com phartl@lemerygreisler.com
Raymond J Obuchowski	on behalf of Attorney Obuchowski Law Office ray@oeblaw.com marie@oeblaw.com
Raymond J Obuchowski	on behalf of Debtor Roman Catholic Diocese of Burlington Vermont ray@oeblaw.com, marie@oeblaw.com
Robert S DiPalma	on behalf of Financial Advisor Berkeley Research Group LLC rdipalma@pfclaw.com
Samuel Andre	on behalf of Debtor Roman Catholic Diocese of Burlington Vermont sandre@fredlaw.com
Steven Robert Kinsella	on behalf of Debtor Roman Catholic Diocese of Burlington Vermont skinsella@fredlaw.com, sstallings@fredlaw.com;docketing@fredlaw.com
U S Trustee	ustpregion02.vt.ecf@usdoj.gov
TOTAL: 18	